

BOARD OF COMMUNITY HEALTH  
January 11, 2007

The Board of Community Health held its regularly scheduled meeting in the Floyd Room, 20<sup>th</sup> Floor, West Tower, Twin Towers Building, 200 Piedmont Avenue, Atlanta, Georgia. Board members attending were Richard Holmes, Chairman; Ross Mason, Vice Chairman; Mary Covington (via phone); Dr. Inman C. "Buddy" English; and Kim Gay. Commissioner Medows was also present. Mr. Cook, Mr. Oshnock and Dr. Ann McKee Parker were absent. (A list of Attendees and Agenda are attached hereto and made official parts of these Minutes as Attachments # 1 and # 2).

**Approval of Minutes**

Mr. Holmes called the meeting to order at 10:36 a.m. The Minutes of the December 14, 2006 meeting were UNANIMOUSLY APPROVED AND ADOPTED.

**Chairman's Comments**

Mr. Holmes asked board members to approve a resolution to support the PeachCare for Kids program stating to the Georgia Congressional Delegation the board's thoughts and beliefs on PeachCare. He read the resolution for the benefit of the audience so everyone would be aware of the board's position. The Resolution in Support of PeachCare for Kids was UNANIMOUSLY APPROVED AND ADOPTED. (A copy of the Resolution in Support of PeachCare for Kids is attached hereto and made an official part of these Minutes as Attachment # 3).

**Commissioner's Comments**

Commissioner Medows said the Governor's recommended FY 07 Amended and FY 08 budgets are available on line and in written form and were released January 10 when Governor Perdue presented his State of the State Address. The Department received the final budget the same time as the general public. Once the Department has had a chance to further analyze and review the budget, the Department will come back to the Board and present its findings, analysis and plans to go forward. In addition, the Department will present to the Board at the February meeting additional information from the Joint Appropriations Committee meeting. Dr. Medows said the Department played a prominent role in the Governor's State of the State address. Initiatives mentioned were Transparency in Healthcare, the Rural Health Access program, and funding for OPEB (Other Post Employment Benefits).

Dr. Medows said during the State of the State the Governor stated his firm belief that SCHIP is a federal program that the states have opted to participate in to ensure that low income families are able to provide health care for their children. He stated an affirmation that the State of Georgia is willing, ready, and able to provide its share of funding to ensure that the program goes on, but he also called on the President and Congress to do their share in fulfilling the federal obligation for funding.

Dr. Medows gave an update on the status of PeachCare. She said at the last board meeting she informed the board of the recent passage of Congressional House Bill 6164 which addressed the stop gap measure that was to provide short term funding for shortfall states. At the time of the board meeting, the Department did not have the exact legislative language and many were surprised what that language actually outlined in terms of how the small pot of money was going to be allocated. The Congressional Research Service (CRS) took that congressional legislation and modeled it out themselves ahead of the Centers for Medicare and Medicaid Services (CMS). In CRS's model, they predicted that Georgia would receive no funding from the 2004 surplus pool and \$1.2 million in the 2005 surplus pool. Dr. Medows reminded the board that the PeachCare for Kids program is short \$131 million and spends on average \$25-30 million a month to sustain the program. She said the State is still waiting for the final report on modeling from CMS and have to respect that CMS has to follow what is in the congressional language but are hopeful CMS will take into account the data that the Department has provided to them. Dr. Medows said at this point the Department thinks it will be fairly close to the CRS projection which would be totally insufficient. Dr. Medows said the State's efforts are to continue informing the Georgia Congressional Delegation and any member of Congress the importance of this issue to Georgia specifically, and that it is not just a state issue but a national issue with federal implications that need to be addressed.

**Department Updates – CFO**

Mr. Holmes called on Carie Summers, Chief Financial Officer, to discuss the Nursing Home Services Public Notice. Ms. Summers said the Department released a public notice in December which the Board approved to be published for public comment to give nursing facilities a rate increase for services effective on and after January 7, 2007. The changes to the rate would have been a reflection of an increase in the nursing home provider fee from \$9.15 a day to \$12.21 a day effective January 7. The growth allowance used to compute reimbursement rates would have been increased from 0% to 3% and an incentive fee would have been paid to providers who met specific criteria for quality measures as determined by the Department.

The Department conducted a public hearing on December 18. There were two attendees, both representing the Georgia Health Care Association (GHCA). A summary of their comments is the

GHCA represents about 95% of all nursing homes in the state; they support the rate increase and agree it will help their members improve the quality of care for their patients. The GHCA submitted comments in writing and asked the board for favorable consideration of the public notice.

Ms. Summers said between the point in time of the public notice and getting ready to implement this particular change, Medicaid staff has been working closely with GHCA to come to agreement about the various benchmarks and measures to be used for the incentive fee. In the course of doing that, the Department identified some concerns about whether data was going to be available in January for about 90 facilities that would be necessary in order for the Department to begin the incentive fee payments in January. Because of that concern and since this is a material change, the Department is coming to the board today with a new public notice to be published for public comment to replace the public notice issued in December. Ms. Summers said the new public notice delays the implementation of the incentive fee component until April 1. It also makes some changes to the amount of the provider fee considered in the rate as well as the growth allowance. The Department has tried to accomplish making the same total payments to the nursing homes between now and the end of the state fiscal year but in a shorter period of time. This would require the nursing home provider fee to go from \$12.21 up to \$13.11 per day and would be reflected in the rate, and finally the Department would increase the reimbursement rate from 0% to 4.5% for dates of service between February 11 and the end of March, and in April 1 the Department would make the growth allowance 4% with the one-half percent difference being used to pay for the incentive fees that will begin in April. Ms. Summers said this is the same amount of dollars (\$72 million total funds annually or \$27 million in state funds). Another opportunity for public comment is scheduled for January 25 at 2:00 p.m. at the Department of Community Health, and written comments will be accepted until January 29. Ms. Summers concluded her review after addressing questions from the board. Ms. Covington MADE a MOTION to publish for public comment the new Nursing Homes Services Public Notice. Ms. Gay SECONDED the MOTION. Mr. Holmes called votes; votes were taken. The MOTION WAS UNANIMOUSLY APPROVED. (A copy of the Nursing Home Services Public Notice is attached hereto and made an official part of these Minutes as Attachment # 4).

#### **Department Updates – General Counsel**

Mr. Holmes called on Charemon Grant, General Counsel, to discuss final adoption of State Health Benefit Plan Rules 111-4-1. Ms. Grant said these rules were presented to the Board during the November 9 board meeting. A public hearing was conducted on December 28 and there were no public comments received by the Department to date. Mr. Mason MADE a MOTION to approve for final adoption State Health Benefit Plan Rules 111-4-1. Ms. Gay SECONDED the MOTION. Mr. Holmes called votes; votes were taken. The MOTION WAS UNANIMOUSLY APPROVED. (A copy of State Health Benefit Plan Rules 111-4-1 is attached hereto and made an official part of these Minutes as Attachment # 5).

#### **New Business**

Mr. Holmes asked the board if there was any new business. There was none.

#### **Adjournment**

There being no further business to be brought before the Board at the meeting Mr. Holmes adjourned the meeting at 10:56 a.m.

THESE MINUTES ARE HEREBY APPROVED AND ADOPTED THIS THE \_\_\_\_\_

DAY OF \_\_\_\_\_, 2007.

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RICHARD L. HOLMES  
Chairman

ATTEST TO:

\_\_\_\_\_  
MARK D. OSHNOCK  
Secretary

Official Attachments:

- #1 List of Attendees
- #2 Agenda
- #3 Resolution in Support of PeachCare for Kids
- #4 Nursing Home Services Public Notice
- #5 State Health Benefit Plan Rules 111-4-1